

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2001-101

March 20, 2001

NORTHERN UTILITIES, INC.,  
Application for Approval to Issue Debt to  
Extend the Term of its Revolving Credit  
Agreement (§ 902 & § 1101)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY**

On February 7, 2001, Northern Utilities (NU or the Company) filed with this Commission a request for permission to extend the final term of an existing \$25 million revolving credit agreement with The First National Bank of Boston (now FleetBoston) by 90 days to June 15, 2001, with all other terms and conditions of the original agreement and subsequent amendments remaining unchanged. This Order approves the Company's request.

**II. DISCUSSION & DECISION**

The Commission originally approved this revolving credit agreement in Docket No. 93-028, on March 9, 1993 and subsequently approved amendments in Docket No. 97-066 on March 18, 1997, and Docket No. 98-845 on December 15, 1998. NU and its parent companies, Bay State Gas and NiSource, Inc., are now negotiating a new long term financing agreement, which would among other things replace this existing revolving credit agreement. However, the Companies will not be able to close this transaction prior to the final maturity date of the existing agreement and have therefore negotiated the extended maturity date with its lender. The extended final maturity date is the only change since the 1998 amendment.

NU stated in its response to an advisors' data request, that it was necessary to extend the final maturity date of the revolving credit agreement rather than to use additional short-term borrowing due to limitations placed on its level of short term debt by the New Hampshire Public Utilities Commission. There are no other changes to the agreement and subsequent amendments that we have previously approved, and the debt instrument that will eventually replace the existing agreement will be submitted for our approval prior to its closing. We also note that in the most recent amendment, in Docket No. 98-845, the Company was required to transfer title to its natural gas inventory in order to facilitate the amendment. This required and received approval under 35-A M.R.S.A. § 1101. Although NU did not specifically request approval

under § 1101 in this petition, we find it necessary to grant approval of this transaction under that section as well.

Having reviewed the application of the Company, together with data filed in support of it, the Commission finds that the proceeds of the issuance of the securities are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to §902(4), the Commission does not imply approval of the Company's capital needs or capitalization ratio for ratemaking purposes, nor does this order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

**O R D E R**

That Northern Utilities may extend the final maturity date of its existing \$25 million revolving credit agreement with FleetBoston to June 15, 2001 with all other terms and conditions of the original agreement and subsequent amendments remaining unchanged.

Dated at Augusta, Maine, this 20<sup>th</sup> day of March, 2001.

**BY ORDER OF THE COMMISSION**

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Dennis L. Keschl  
Administrative Director

**COMMISSIONERS VOTING FOR:**

Welch  
Nugent  
Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.